



CREATING  
GREAT  
PLACES

# TRADING UPDATE

7 November 2019



# A CE PORTFOLIO FOCUSED ON QUALITY URBAN ASSETS IN WARSAW AND PRAGUE

POLAND AND CZECH 85%  
OF THE PORTFOLIO

WARSAW AND PRAGUE 53%  
THE GROWTH DRIVER

€2.7bn

standing investment  
portfolio

€1.7bn  
Poland

€1bn  
5 assets Warsaw

€0.5bn  
Czech

€0.4bn  
2 assets Prague

850,000

sqm GLA

>95%

Occupancy

€133m

9 month NRI

95%

Operating margin



# CONSERVATIVE BALANCE SHEET WITH STRONG LIQUIDITY AND INVESTMENT GRADE RATING

€5.06

EPRA NAV

BBB

Fitch

BBB-

Moody's and S&P

73%

Unencumbered  
assets

33.5%

Net LTV

€300m

unutilized RCF

c.3%

Cost of debt

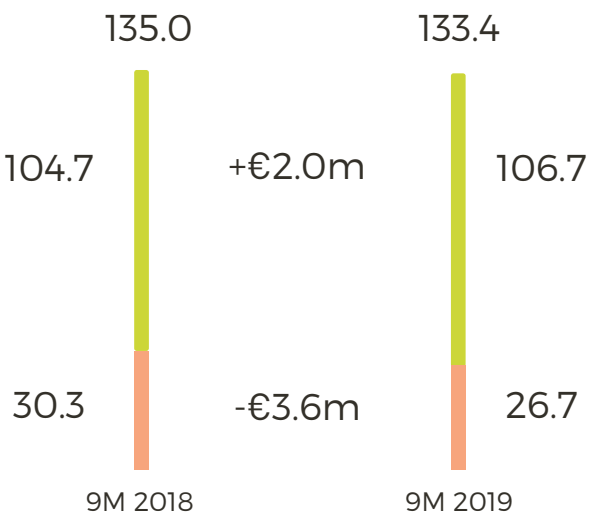
# ASSET ROTATION + REDEVELOPMENTS DIFFERENTIATION IN CHANGING RETAIL ENVIRONMENT



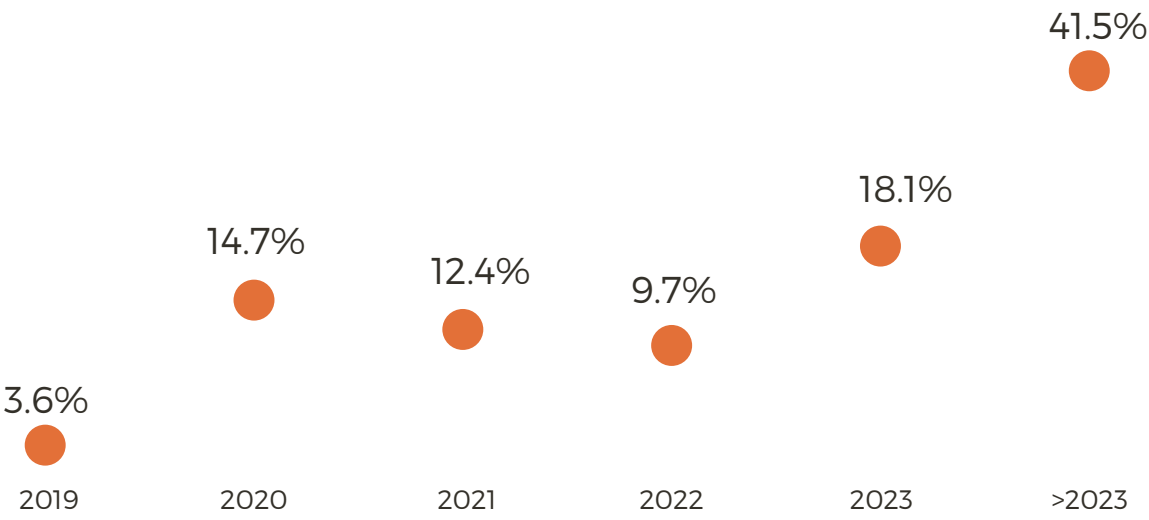
Net rental income broadly flat with +€2M  
excl. Russia

(in million €)

■ Excl RU  
■ RU



Lease expiry  
(30/09/2019) (% of ARI)

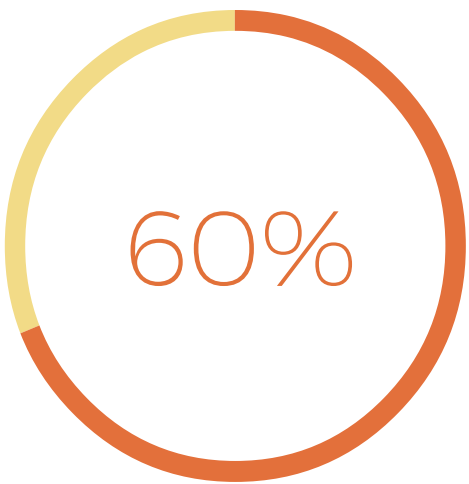


■ LFL NRI +1.6% in Poland and Czech



- NRI broadly flat as pick up from acquisitions and redevelopments offsets disposals
- Repositioning plan continues in Poland and completed in Czech
- Russia was mainly affected by 2 large tenants exiting the market and the subsequent retenanting required

5.4 YR WALT  
30/09/2019



Renewals 2023  
& beyond



# STRATEGY IN ACTION - A PORTFOLIO FOCUSED ON QUALITY

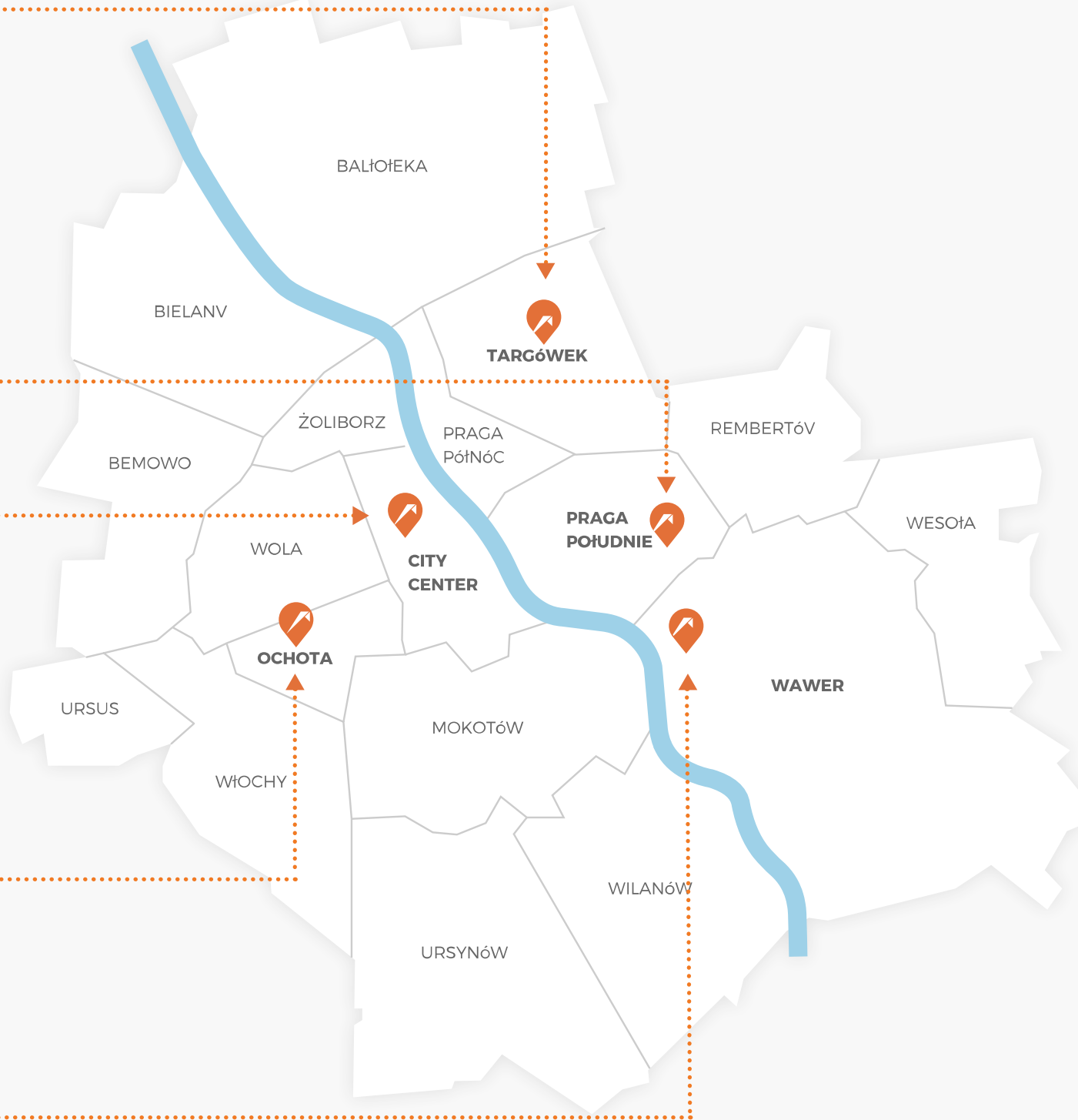
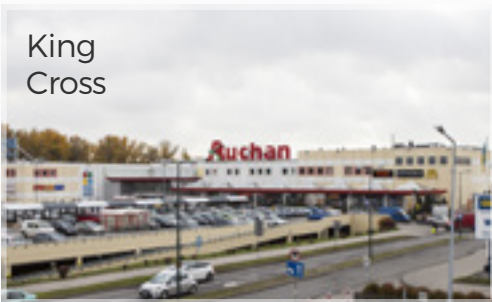


30.09 2019 <sup>1</sup>	Portfolio Market value	Number Of Assets	Number Of Countries	Average Asset Size In GLA	Average Asset Value
<sup>1</sup> Excl. Atrium Duben (disposal signed in July 2019)	€ 2.7 bn	31	4	27,400 sqm	€ 85 m
31.12 2014	€ 2.6 bn	153	7	8,900 sqm	€ 17 m





# 38% OF THE PORTFOLIO IS LOCATED IN WARSAW



5 prime assets  
in distinct catchment areas

179,000 sqm GLA  
€ 1bn value

95% occupancy

Creating great places  
in a growing capital city

Over €300m redevelopment programme +60,000 sqm GLA

WARSAW THE HEART OF POLAND <sup>1</sup>	Warsaw	Poland
Nr of inhabitants	1.8m	38m
Average monthly salary	€1,585	€1,209
Unemployment	1.5%	3.6%

<sup>1</sup> Central Statistical Office of Poland, GfK

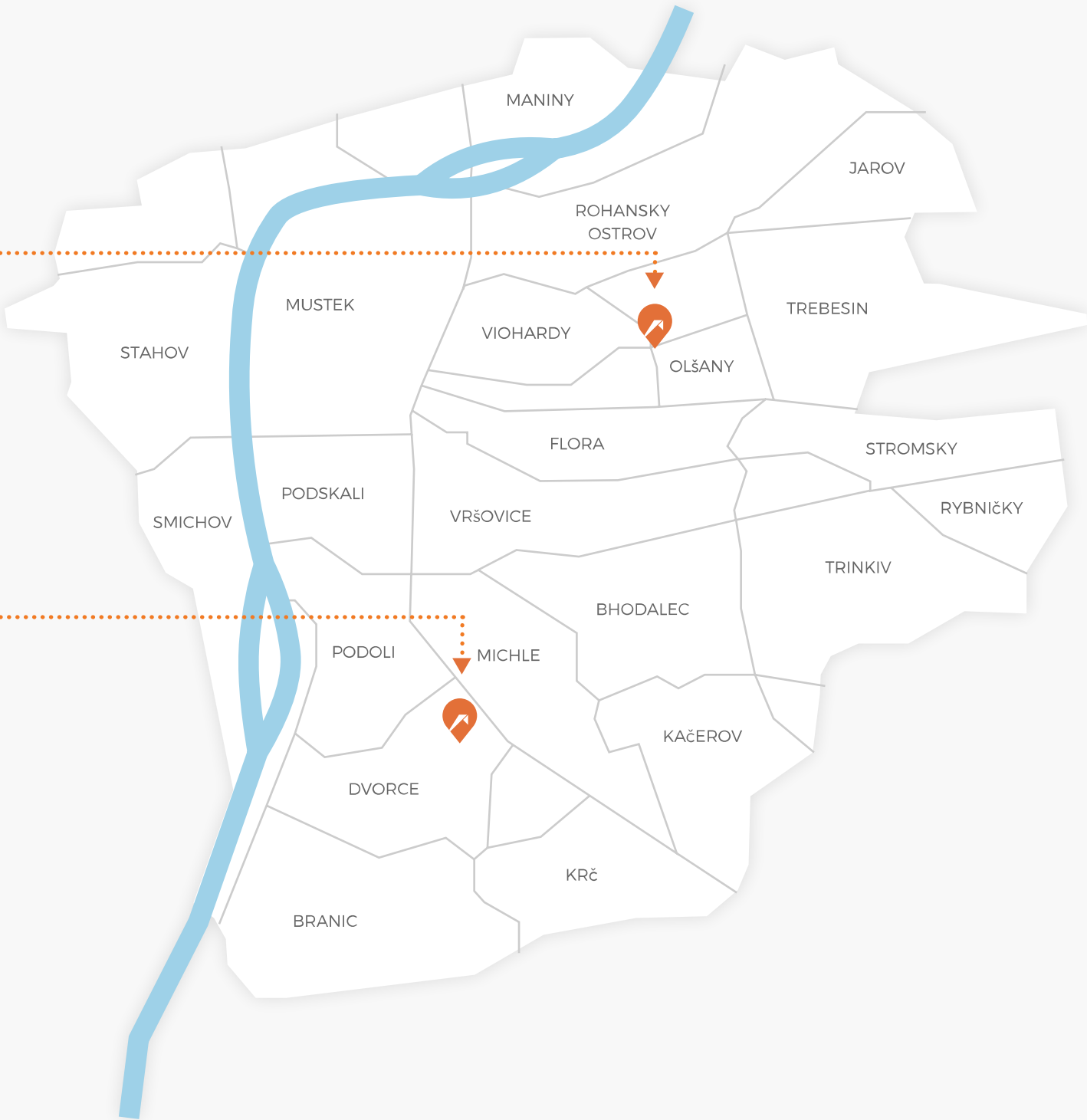
# 16% OF THE PORTFOLIO IS LOCATED IN PRAGUE



Atrium Flora



Arkady Pankrac



2 prime assets  
in distinct catchment areas

70,000 sqm  
€0.4bn value

Consistently high occupancy levels of  
over 95%

Providing great shopping destinations in Prague

Arkady Pankrac under refurbishment 2019-2020

## PRAGUE THE HEART OF THE CZECH REPUBLIC <sup>1</sup>

	Prague	Czech
Nr of inhabitants	1.3m	10.6m
Average monthly salary	€1,553	€1,342
Unemployment	2.2%	3.1%

<sup>1</sup> Czech and Prague Statistics Offices



# COMPANY OPERATIONAL INDICATORS 9M 2019



	9M 2019 (in €m)	9M 2018 (in €m)	Change (%/ppt)
Net rental income excl. Russia	106.7	104.7	1.9%
EPRA Like-for-Like NRI excl. Russia	45.0	44.3	1.6%
Net rental income	133.4	135.0	(1.2%)
EPRA Like-for-Like NRI	61.4	61.2	0.3%
EBITDA <sup>1</sup>	116.8	118.3	(1.3%)
Company adj. EPRA earnings per share (in € cents)	21.3	22.4	(4.7%)
Net equivalent yield (in %)	6.5	6.8	(0.3%)
Occupancy rate (in %)	95.9	96.9	(1.0%)
Operating margin (in %)	94.6	97.4	(2.8%)

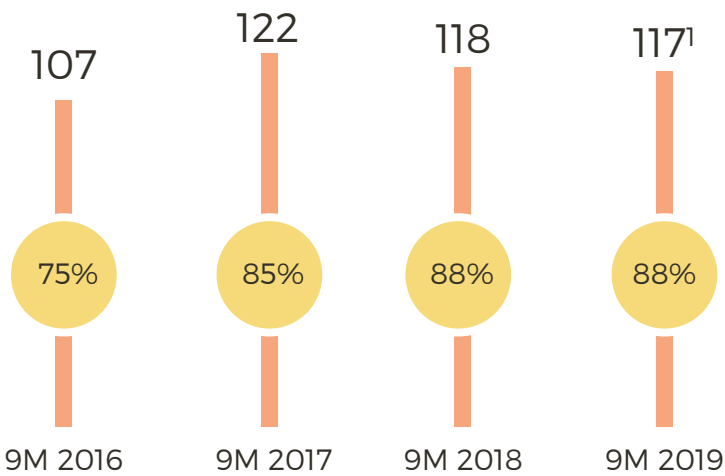


# EARNINGS: DISPOSALS PARTIALLY OFFSET BY AQUISITIONS



## EBITDA margin 88% (in million €)

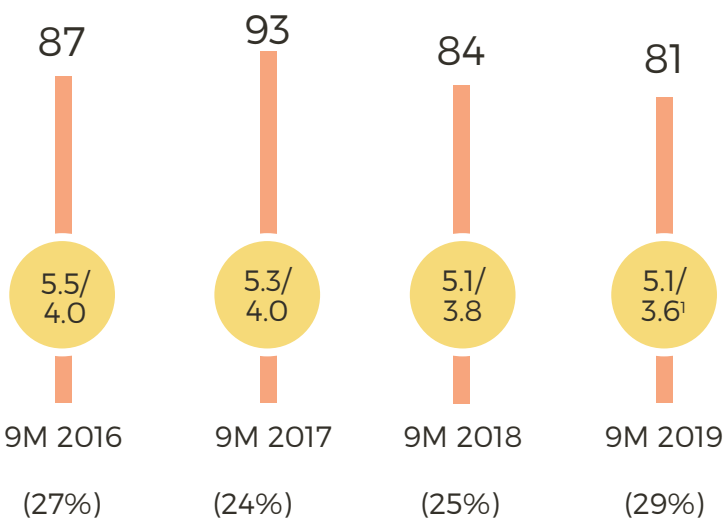
● EBITDA as % of NRI



<sup>1</sup>The transaction costs related to the recommended cash acquisition by Gazit Globe Ltd. of €5m were adjusted

## Company Adjusted EPRA Earnings (in million €)

● EPRA NAV per share/Share price



EPRA NAV discount

<sup>1</sup>31/10/19 share price

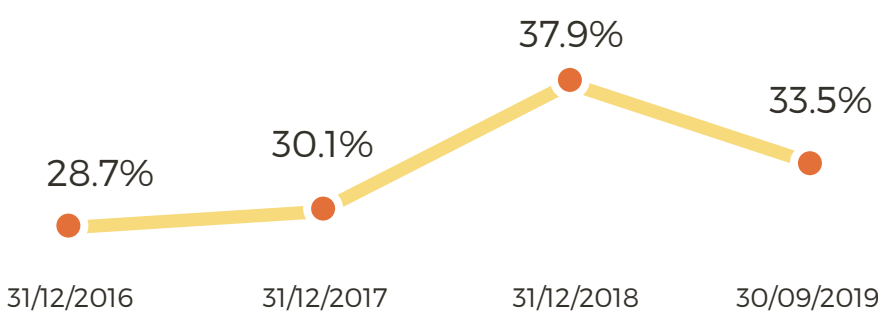




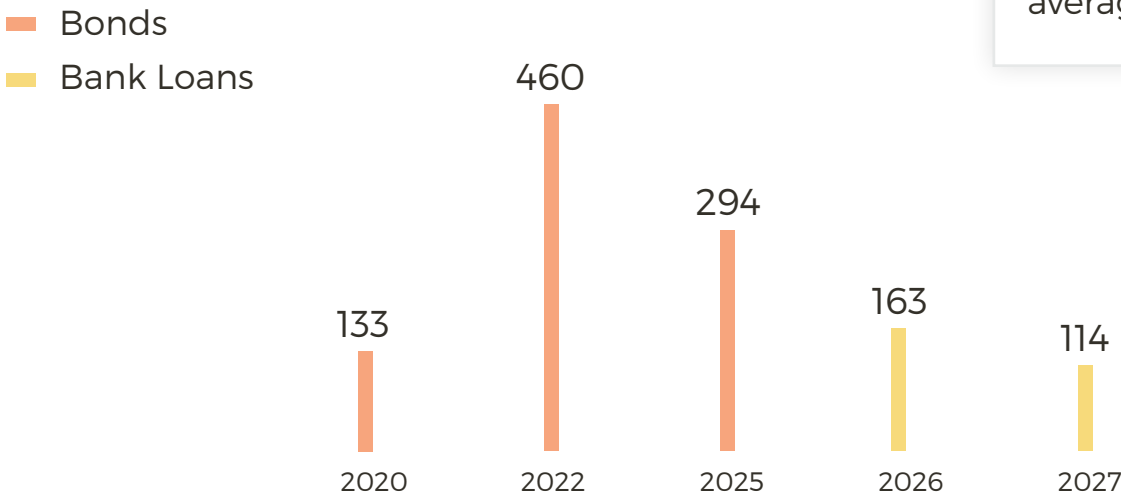
# SIGNIFICANT LIQUIDITY TO SUPPORT GROWTH, €200M CASH AS AT 30/9/2019, €300M RCF UNUTILIZED



LTV  
(net)



Debt maturities  
(in million €)



4.6 years  
average maturity

## Financial Performance Indicators

EPRA NAV per share

€5.06

31/12/2018 €5.03

Cost of Debt

C. 3%

Borrowings  
(as at 30/09/2019)

Bonds €887m  
Loan €300m



73%  
unencumbered  
standing investments



# SUMMARY: DOMINANT ASSETS IN PRIMARY URBAN LOCATIONS

## PORTFOLIO ROTATION STRATEGY FOR QUALITY GROWTH

- | **€364m** YTD disposals
- | **5** assets in Warsaw following the acquisition of King Cross in June 2019

## STRONG AND DIVERSE RE-DEV. AND EXTENSION PIPELINE

- | **4** ongoing projects, **€0.4bn** pipeline, **€155m** invested until 30/9/2019

## SIGNIFICANT LIQUIDITY TO SUPPORT GROWTH

- | **33.5%** net LTV and **€300m** RCF unutilized

Following the announcement on 25 October 2019 of the lapse of the court-sanctioned scheme of arrangement announced on 23 July 2019, the Board is reviewing the distributions policy of the Company and intends to make a further announcement before the end of the year.





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